

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT
FINANCIAL STATEMENTS, 31ST DECEMBER 2021

Charity Commission Registration (England and Wales) 280824

THE FLORENCE ELLISON TRUST
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Contents

Trustees' Annual Report

Reference and administrative details	1
Structure governance and management	2
Objectives and activities	2 and 3
Achievements and performance	3 and 4
Financial review	4
Responsibilities of the Trustees	4
Independent Examiner's Report to the Trustees	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 16

Reference and administrative details

Principal address and Registered Office 40 Half Moon Lane
WORTHING
BN13 2EN

Mrs P Richards is named as a nominee for the Charity on the title of two Trust premises.

Solicitors

Messrs Green Wright Chalton Annis
1 London Road
ARUNDEL
BN18 9AZ

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

TRUSTEES' ANNUAL REPORT, 31ST DECEMBER 2021

Structure governance and management

By her Will dated 8th March 1977 Miss Florence Ruth Ellison, who died on 4th April 1978, gave the residue of her Estate to The Durrington Free Church to help that church in its work among old people. The Durrington Free Church is now The New Life Church, Durrington.

To administer that gift the Trust was established by a Trust Deed dated 14th July 1980. It was registered in England and Wales as a Charity, number 280824, on 30th September 1980.

The Trust Deed vested power to appoint new Trustees in the Elders for the time being of the Durrington Free Church. The Durrington Free Church is now The New Life Church, Durrington.

New Trustees are recruited from local persons who have relevant technical skills and business experience, usually within the personal acquaintance of serving Trustees and members of The New Life Church congregation.

A Board of Trustees of not fewer than three nor more than seven meets at least twice a year and at other times as necessary to administer the Charity.

The Trustees continue to monitor the local housing market for suitable additions to the Charity's housing stock.

There have been no significant changes in the Charity's organisation or policies.

The Charity's social investment property is insured against loss under normal residential policies.

Charity Trustee Indemnity insurance is maintained.

The Trustees received neither remuneration nor, except as reported in Note 12 on page 15 of the Financial Statements, reimbursement of expenses incurred in connection with their work for the Charity.

No Trustee nor any person connected with a Trustee received any disclosable service or any other disclosable benefit from the Charity.

Objectives and activities

The Trustees resolved that the intent of Miss Ellison be carried into effect by provision of homes for old persons of small means who had need of such facilities by reason of age or infirmity.

The Trustees have bought both freehold and leasehold residential accommodation which is let at favourable rates to elderly and infirm persons. The Trust Deed requires that beneficiaries' financial means be considered when rents and other financial matters are assessed.

In confirming the Charity's objectives and its activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on fee charging.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

TRUSTEES' ANNUAL REPORT, 31ST DECEMBER 2021

Objectives and activities, continued

The Charity's property portfolio, which during the year under review comprised eleven residential units, is concentrated in a small area in Worthing, West Sussex.

During 2020 the Charity's only bungalow became vacant. It offered neither the size nor the type of accommodation sought by current or recent applicants. It was, therefore, put on the market for sale and this was completed in June 2021. The sale permitted the secured long-term borrowing to be repaid without penalty. Two units better suited to current applicants were acquired and were brought into use early in 2022 and further acquisitions are planned.

During 2021 one unit fell vacant. After refurbishment it has been occupied since it was re-let in March 2021.

The other ten units were let and were occupied throughout the year.

Applications for accommodation are welcome from prospective residents wherever they may be located at the time but for reasons of efficient management it is not proposed to expand significantly the geographical area within which the Charity's property is located.

The Charity conducts no part of its activity through grant-making.

The Charity holds no funds or other property as custodial trustee on behalf of any other entity.

Achievements and performance

The Charity is a Public Benefit entity which has continued to provide housing of good standard at reasonable cost to enable elderly and infirm persons of moderate means to live independent lives in comfort, dignity and security while reducing the call on publicly funded facilities.

Trustees recognise that its investment property portfolio must be maintained to current standards both to safeguard the safety and welfare of its residents and to preserve the viability of its housing stock.

Support is given to local tradesmen who undertake repair and refurbishment of Charity property on a commercial basis.

Rents are set at values intended both to meet the expense of insurance, maintenance, regular refurbishment and other charges payable by the Charity and to permit access to accommodation by persons of small means.

In considering the Charity Commission's supplementary public benefit guidance on fee charging Trustees monitor the local housing market to ensure that rents charged to the Charity's residents are not in excess of open-market rental values and where applicable assist them in obtaining Local Authority housing allowances.

The Charity undertook no fundraising activity in 2021.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

Page 4

TRUSTEES' ANNUAL REPORT, 31ST DECEMBER 2021

Achievements and performance, continued

The Charity's only investments are in programme-related freehold and leasehold residential property. The property was acquired and is held in accordance with investment powers set out in the Trust Deed to meet the objects of the Charity.

Surplus cash is held in interest-bearing deposits, any or all of which may be withdrawn without notice and without penalty.

Financial review

The Charity has ample finance for its regular expenses payable out of revenue.

The Charity's policy, which has not changed since inception, is that surplus income shall be accumulated in interest-bearing deposits until there is sufficient, having regard to the funding requirements of regular operating expenses and in conjunction with external loan funding if appropriate, to acquire, adapt and refurbish an additional letting unit.

	2021	2020
Cash at bank and in hand at 31 st December	314957	70496
Net current assets at 31 st December	313883	59839
Average net monthly inflow / (outflow), year to 31 st December	1958	1678
All funds, unrestricted and undesignated	2732826	2469732

Capital expenditure is not committed until adequate funding is assured.

Responsibilities of the Trustees

The Charities Act 2011 requires the Trustees to prepare Financial Statements each financial year which give a true and fair view of the state of the Charity at the end of the year and of the surplus or deficiency for the year then ended.

In preparing these Financial Statements the Trustees are required to select suitable accounting policies as described on pages 8 to 16 and then to apply them on a consistent basis, making estimates that are prudent and reasonable. The Trustees must also prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity shall continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities and to protect against loss from other causes.

Approved by the Trustees and signed by their order

40 Half Moon Lane
WORTHING
BN13 2EN

Secretary

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

STATEMENT of FINANCIAL ACTIVITIES for the year ended 31st DECEMBER 2021

	Note	TOTAL FUNDS 2021 £	TOTAL FUNDS 2020 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income: donations, grants and legacies	1b	40	0
Activities for generating funds		0	0
Investment income, bank interest	1d	18	47
Incoming resources from charitable activities, gross rents	1e, 3	64330	64205
Other incoming resources		0	0
		<hr/> 64388	<hr/> 64252
Resources expended	1g		
Costs of generating funds			
Costs of generating voluntary income		0	0
Fundraising trading		0	0
Investment management costs		0	0
Charitable activities	3	31688	31822
Governance costs	4	2220	2517
Other resources expended		0	0
		<hr/> 33908	<hr/> 34339
Net incoming resources before other recognised gains and losses		30480	29913
Other recognised gains and losses			
On tangible fixed assets,			
programme=related social investment property	1h		
Realised gains		245521	0
Unrealised gains		(12907)	186199
		<hr/> 263094	<hr/> 216112
Net movement in funds		263094	216112
Reconciliation of funds			
Total funds brought forward		2469732	2253620
		<hr/> 2732826	<hr/> 2469732
Total funds carried forward		=====	=====

All movements are in undesignated unrestricted funds.

The Statement of Financial Activities incorporates the Income and Expenditure Account and the Statement of Comprehensive Income required by Financial Reporting Standard 102.

All incoming resources derive from continuing activities.

All resources expended are in respect of continuing activities.

The notes on pages 8 to 16 form part of these Financial Statements.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

BALANCE SHEET, 31ST DECEMBER 2021

	Note	2021 £	2020 £
TANGIBLE FIXED ASSETS			
Programme=related social investment property	1h, 5	2418943	2501961
CURRENT ASSETS			
Debtors	1i, 6	5969	6177
Cash at bank and in hand	1j, 7	314957	70496
		-----	-----
Total current assets		320926	76673
		-----	-----
LIABILITIES			
Creditors falling due within one year	1k, 8	3957	14436
Provisions for liabilities	1k, 9	3086	2398
		-----	-----
		7043	16834
		-----	-----
NET CURRENT ASSETS		313883	59839
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		2732826	2561800
		-----	-----
LIABILITIES, Creditors falling due after one year	1l, 10	0	92068
		-----	-----
TOTAL NET ASSETS		2732826	2469732
		=====	=====
GENERAL UNRESTRICTED FUNDS			
Unrestricted income funds	11	1205490	929489
Revaluation reserve, unrealised gains on investment assets	11	1527336	1540243
		-----	-----
Total unrestricted charity funds		2732826	2469732
		=====	=====

The notes on pages 8 to 16 form part of these Financial Statements

The Financial Statements were approved by the Trustees on
and they are signed on behalf of all Trustees by

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

1 Accounting policies

1a Bases of preparation

The Financial Statements have been prepared:

- i on the presumption that the entity is a going concern;
- ii on the accruals basis under the historical cost convention at cost or transaction value, modified for the revaluation of fixed assets;
- iii in accordance with applicable charity law for England and Wales;
- iv in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard 102 applicable in the United Kingdom and the Republic of Ireland.

The Trustees consider, having made due enquiry, that there is no uncertainty that the Charity, which is a Public Benefit entity, shall continue to function satisfactorily as a going concern because:

- a rental income continues to exceed all expenses of operation;
 - b current assets continue to exceed current liabilities;
 - c long-term borrowing, ie amounts due more than one year after the reporting date, was eliminated during the year and there is no short-term borrowing except for normal trade creditors;
 - d the Charity has a long waiting list for potential residents;
 - e for so long as the country's supply of new and acceptably refurbished dwellings shall fail to meet the requirements of an increasing population there shall be a need for the type of modestly priced accommodation that the Charity is able to provide
- and accordingly the accounts have been prepared on the going concern basis.

There has been no change in accounting policies nor has there been any change in the presentation of the Financial Statements except as required to comply with the aforementioned official instruction and guidance.

1b Incoming resources: donations, grants and legacies

Income from donations, grants and legacies, including capital grants, is included in incoming resources when it is receivable except:

- i when a donor or testator specifies that a donation, grant or legacy made to the Charity must be used in future accounting periods the income is deferred until those periods;
- ii when a donor or testator imposes conditions which must be fulfilled before the Charity becomes entitled to use a donation, grant or legacy the income is deferred until the preconditions have been met.

Additionally income from legacies is deferred until Probate has been granted and the Executors have established that the Estate has sufficient assets.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

1 Accounting policies, continued

1c Incoming resources: intangible income

Material intangible income and the corresponding expense in respect of donated services are included in the Statement of Financial Activities when a service is received on the basis of the value of the gift to the Charity where its value can be measured easily economically and reliably.

1d Incoming resources: investment income, bank interest

Interest is included when it is credited by the bank.

1e Incoming resources: charitable activities

Rental income arising on the Charity's social investment property portfolio, which is held in furtherance of the Charity's objects, is credited when it is receivable under the respective tenancy agreements.

1f Incoming resources: income tax

Recoverable income tax deducted from incoming resources is recognised on the same basis as the underlying income.

1g Resources expended

Resources expended, including all Value Added Tax, none of which can be recovered by the Charity, are reported in the Statement of Financial Activities and in the Balance Sheet on an accruals basis.

1h Tangible fixed assets, programme-related social investment property

The Charity owns both freehold and leasehold residential units. To fulfil the intent of Miss Ellison and in accordance with the Trust Deed of 14th July 1980 it lets those units at favourable rents to persons of small means who have need of such accommodation by reason of age or infirmity.

All the residents enjoy the usual UK statutory provisions for security of tenure which could restrict the Charity's ability to sell a unit with vacant possession.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

1 Accounting policies, continued

1h Tangible fixed assets, programme=related social investment property, continued

Programme=related social investment property is capitalised at cost. Cost includes:

- i the purchase contract price;
- ii all charges duties and fees payable on purchase;
- iii costs of initial refurbishment where this is required to bring an acquisition to an acceptable standard for occupation;
- iv subsequent improvements;
- v all associated Value Added Tax, none of which can be recovered by the Charity.

Records for each property are maintained in the Charity's books at cost.

Since 1997 for the purpose of presentation in the Balance Sheet in compliance with the requirements of successive SORPs programme=related social investment property has been revalued annually in accordance with the House=price index for the UK Outer South=east region prepared from house price data by the Nationwide Building Society. No deduction is made for any costs that might arise on a sale. The unrealised gains from these revaluations are shown separately in the Statement of Financial Activities and in the Balance Sheet.

1i Current assets: debtors and prepayments

Debtors are stated at the recoverable amounts for service rendered.

Prepayments are stated at the respective amounts paid apportioned on a time basis.

1j Current assets: cash at bank and in hand

Cash in hand, ie notes and coin, is no longer kept. All small items of sundry expenditure previously paid in cash are now settled by cheque or by bank transfer.

Cash at bank is the aggregate of the balances shown at the reporting date on the Charity's current and savings banking accounts adjusted as necessary for transactions initiated before the reporting date but not completed until the following year. Any or all of the balances can be withdrawn at any time without notice and without penalty.

1k Liabilities: amounts falling due within one year

Sundry creditors and accrued charges are recognised for the amounts that are expected to be paid for goods or services received before the reporting date but not yet settled and for the amounts received in advance for services yet to be provided at the reporting date.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

1 Accounting policies, continued

1k Liabilities: amounts falling due within one year, continued

Provisions for liabilities are recognised where there is an obligation but either the timing or the amount of the settlement is uncertain. A provision has been created and is augmented from time to time in amounts recommended by the managing agent for long-term repair of one of the Charity's leasehold units. Neither the amount payable nor the timing shall be known until the agent commissions the work. Accordingly the Provision has been treated as an amount falling due within one year.

1l Liabilities: amounts falling due after one year

The leasehold residential unit at 9 Palm Court, Franklin Road, Worthing was bought in February 2013. The purchase was funded in part by an unsecured loan from Charity Bank Limited.

Negotiations to extend the terms of the leases of two residential units were concluded satisfactorily in 2017. The costs of these extensions and of the extension to the term of the lease of one other residential unit that was completed in 2016 were funded in part by a further advance coupled with an extension of the term to 2020 on the loan from Charity Bank Limited.

One additional leasehold residential unit in Bakers Court Salvington Road Worthing was bought during 2019. The purchase was funded by additional borrowing from Charity Bank Limited. The opportunity was taken to consolidate this additional borrowing and the existing unsecured loan in a single secured loan at a significantly lower rate of interest.

Borrowing from Charity Bank Limited continued to be repayable by equal monthly instalments of capital and interest until completion of the sale of the Charity's bungalow in June 2021 permitted all borrowings to be repaid without penalty.

The loan was measured at amortised cost using the effective interest method. Amounts shown in these accounts are confirmed by statements produced by Charity Bank Limited.

1m Offsetting

There has been no offsetting of assets and liabilities or of income and expenses unless required or permitted by FRS 102 SORP or FRS 102.

2 Legal status of the Charity

The Trust was established by a Trust Deed dated 14th July 1980. Charitable registration in England and Wales under number 280824 was granted on 30th September 1980.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

Page 12

NOTES TO THE FINANCIAL STATEMENTS, 31st DECEMBER 2021

3 Property Income and Expenditure Accounts

	1 Deans Court	-12- Bakers Court	-24- Court	-34- Court	40 Green- landRd	3 Queen smead	3 St Marys Court	1 -----	2 Ellison Court--	3	4 Common areas	9 Palm Court	TOTAL
2021													
GROSS RENTS	6240	5750	6240	5700	0	6240	6900	4940	5700	5700	5700	0	5220 64330
EXPENSES													
Cleaning												253	253
Council tax					835							144	835
Electricity		88			20		128					975	360
Garden	120					100	120						1115
Ground rent												112	332
Insurance	200				242							870	1312
Interest		15	15	1507		42						90	1669
Legal fees													0
Maintenance		2315	1929	1929		1276	1016					859	9324
Refurb- ishments		4097											4097
Repairs	3290	250		810		223	3065	235	85	1317		630	230 10135
Repairs reserve						688							688
Water	420					146	219	278	107	148	37	153	1508
Windows												60	60
	4030	6765	1944	4246	1097	2475	4548	513	192	1465	37	2932	1444 31688
NET RENTS	2210	-1015	4296	1454	-1097	3765	2352	4427	5508	4235	5663	-2932	3776 32642
2020													
GROSS RENTS	6240	5700	6240	5700	1715	6240	5110	4940	5700	5700	5700	0	5220 64205
EXPENSES													
Cleaning												605	605
Council tax							200					159	200
Electricity												1443	159
Garden	160				120								1723
Ground rent						100	120					112	332
Insurance	200				485							811	1496
Interest		40	40	3867		108						230	4285
Legal fees													0
Maintenance		2300	1915	1915		1269	961					844	9204
Refurb- ishments							8996						8996
Repairs	25			150	202	125	120	455	215	125		672	65 2154
Repairs reserve						625							625
Water	501					183	254	243	139	179	303	187	1989
Windows												54	54
	886	2340	1955	5932	807	2410	10651	698	354	304	303	3744	1438 31822
NET RENTS	5354	3360	4285	-232	908	3830	-5541	4242	5346	5396	5397	-3744	3782 32383

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

4 Governance costs

	2021	2020
	£	£
Financial service fees		
Independent examination	688	688
Other assurance services	0	0
Taxation advice	0	0
Consultancy	0	0
Financial advice	0	0
Accountancy	1032	1032
	-----	-----
	1720	1720
Postage, stationery and sundry expenses	211	494
Trustee insurance	193	243
Bank charges	96	60
	-----	-----
	2220	2517
	=====	=====

The Charity employed no staff during either financial year.

5 Tangible fixed assets, programme-related social investment property

	2021	2020
	£	£
Reconciliation of market value		
At 1 st January	2501961	2315762
Acquisitions and improvements at cost	0	0
Cost eliminated on disposal	(70111)	0
Net adjustment on revaluations in the year	(12907)	186199
	-----	-----
At 31 st December	2418943	2501961
	=====	=====
Reconciliation of cost		
At 1 st January	961718	961718
Acquisitions and improvements at cost	0	0
Cost eliminated on disposal	(70111)	0
	-----	-----
At 31 st December	891607	961718
	=====	=====

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

6 Debtors

	2021	2020
	£	£
Income tax recoverable	0	0
Sundry debtors	3490	2873
Prepayments	2479	3304
	-----	-----
	5969	6177
	=====	=====

7 Cash at bank and in hand

	2021	2020
	£	£
Bank current account	1500	1500
Bank savings account	313457	68996
Cash	0	0
	-----	-----
	314957	70496
	=====	=====

8 Liabilities, creditors, amounts falling due within one year

	2021	2020
	£	£
Accrued charges	3957	4227
Secured loan, Charity Bank Limited	0	10209
	-----	-----
	3957	14436
	=====	=====

9 Liabilities, provisions, amounts falling due within one year

	2021	2020
	£	£
Provision for leasehold property renovation		
At 1 st January	2398	1773
Additional provision made in the year	688	625
Provision used in the year	0	0
	-----	-----
At 31 st December	3086	2398
	=====	=====

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

10 Liabilities, creditors, amounts falling due after one year

	2021	2020
	£	£
Secured loan, Charity Bank Limited	Nil	92068
	=====	=====

11 General unrestricted funds

	2021	2020
	£	£
Unrestricted income fund		
At 1 st January	929489	899576
Net incoming resources	30480	29913
Realised gains / losses on investment assets	245521	0
	-----	-----
At 31 st December	1205490	929489
	=====	=====
Revaluation reserve, unrealised gains on investment assets		
At 1 st January	1540243	1354044
Unrealised gains / losses in the year	(12907)	186199
	-----	-----
At 31 st December	1527336	1540243
	=====	=====

12 Related parties

The Trust was established as a result of Miss Ellison's bequest to The Durrington Free Church, which is known now as the New Life Church, Durrington. The Elders for the time being of the church have the power to appoint new Trustees. Whilst several Elders were initially Trustees following the creation of the Trust as a separate body, most Trustees subsequently appointed are not Elders and there is now a minority of Trustees who are Elders. The Eldership does not seek to influence or set the policy of the Trust.

Balances with The New Life Church

	2021	2020
	£	£
At 31 st December	0	0
	=====	=====
Largest amount during the year ended 31 st December.	0	0
	=====	=====

During the year the Charity has made use of copying equipment owned by one of the Trustees who has been reimbursed at the rate of 5p per sheet: 2021 £18.70, 2020 £17.05, 2019 £15.20.

The Trustees received neither emoluments nor, except as noted in the previous paragraph, reimbursement of expenses incurred in respect of services rendered to the Charity.

THE FLORENCE ELLISON TRUST
DISCUSSION DRAFT

NOTES TO THE FINANCIAL STATEMENTS, 31ST DECEMBER 2021

12 Related parties, continued

No Trustee nor any person connected with a Trustee received any disclosable service or any other disclosable benefit from the Charity.

13 Taxation

The Trust is registered as a charity in England and Wales, Register number 280824.

Under legislation in force for the two years ended 31st December 2020 and 31st December 2021 it is not liable to Income Tax, Corporation Tax or Capital Gains Tax on any income or gains applied to charitable purposes, nor is it liable to pay Stamp Duty on acquisition of land or buildings applied to charitable purposes. It is liable to pay Value Added Tax on all taxable supplies made to it: this tax is not recoverable.